

# Star BUSINESS

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M Syeduzzaman



Rume Ali

## New chairman, vice chairman of banks' assoc

M Syeduzzaman, chairman of Bank Asia Ltd, and Muhammad A Rume Ali, director of Brac Bank Ltd, have been unanimously elected chairman and vice chairman of Bangladesh Association of Banks (BAB) for the years 2007 and 2008.

The newly nominated executive committee of BAB at a meeting on Saturday elected them, says a press release.

## Indian central bank may ease funding norms

ANN/ THE STATESMAN

Overseas expansions and acquisitions for India Inc could get a lot easier, if a line of thinking on the part of the Reserve Bank of India (RBI) to allow parent companies to lend directly to their step-down subsidiaries abroad, fructifies.

A step-down subsidiary is one in which the parent company doesn't have a direct holding but through another company such as a holding company.

Ms Shyamala Gopinath, Deputy Governor of the Reserve Bank of India (RBI), told reporters on the sidelines of a seminar here that the RBI could consider allowing parent companies to lend directly to their step-down subsidiaries.

If the RBI decides in favour of the above, Indian companies can lend up to 200 per cent of their net worth as per their last audited balance-sheet directly to their step-down subsidiaries.

Under present regulations, parent companies are permitted to remit funds overseas only to their direct subsidiaries but not to step-down subsidiaries where they don't have a direct holding.

However, direct remittances to step-down subsidiaries, if allowed, will have to be within the 200 per cent limit for remittances as per existing regulations.

## China projects slower growth in foreign trade

ANN/ CHINA DAILY

China's Ministry of Commerce has projected a 15-percent growth for foreign trade in 2007, down nine percent from last year.

The figure means that the country's total imports and exports would break the two trillion US dollar mark this year.

China, the world's third largest trader after the United States and Germany, registered 1.76 trillion US dollars in foreign trade and an aggregate trade surplus of 177.47 billion US dollars last year.

The Ministry has predicted a slower growth in both trade and surplus this year in its 2006 Autumn Foreign Trade Report, without giving specific projections.

Liu Wei, President of the Economic Institute of the Beijing University said that China's foreign trade would continue to report a surplus for the foreseeable future unless there was a sudden consumption boom at home.

"A drastic decline in exports would damage job opportunities and jeopardize social stability," he said.

## Apparel exports to US, EU grow 24pc in 4 months

MD HASAN

Bangladesh earned \$2.6 billion through exports of readymade garments (RMG) to the US and European Union markets, registering a 24 percent growth in the first four months this fiscal.

According to Export Promotion Bureau (EPB), during the July-October period in FY 2006-07, exports of woven and knitwear product to the two markets surged 25.44 percent and 23.45 percent respectively.

During the period, the country exported \$573.29million woven and \$943.3million knitwear to the EU, while it exported \$792.93 million woven and \$290.81million knitwear to the US.

"RMG export earnings from the US market may cross \$3 billion this fiscal, if we can continue the growth," said Abdus Salam

Murshedy, the immediate past vice president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He said, "Competitive price advantage with other suppliers, especially after the US authority re-imposed an interim quota restriction on certain categories of Chinese garments in mid-2005, has helped in surging our exports."

Quoting a latest data released by the US department of commerce, he said with an earning of about 280 million dollars in October, Bangladesh's RMG exports to the USA during the January-October period in 2006 stood at 2485 million dollars.

"This figure is very significant, he said, stressing government support to continue the process of external trade.

Meanwhile, Bangladesh's share of its total RMG exports to the US is

33 per cent, while it is 55 percent in the EU.

"In the post-MFA period, the Bangladeshi RMG exporters upgraded their productivity and quality to retain the international market. Besides, competitive price advantages contributed a lot to the rapid rise in RMG exports," said Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

He said Bangladesh RMG exporters had been doing a brisk business in the EU market since January 2006 and the exports would have upped, if some of the buyers had not shifted to another country because of the political crisis that persisted here for a certain period.

In the FY 2005-06, Bangladesh fetched \$3.9 billion from exports to the EU and \$2.6 billion from the US.



PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Jeyam Emanuel Ayam Perumal, regional managing director of Mainetti Bangladesh (Pvt) Ltd, a joint venture between the Netherlands and Singapore that manufactures plastic hangers and accessories, sign an agreement recently. Under the deal, the company will expand its production space at its plant in Dhaka EPZ with an additional investment of \$5.363 million.

## Foreign investors drive boom in Malaysia's condo market

AFP, Kuala Lumpur

Foreign investors are driving a boom in Malaysia's luxury condominium market, lured by the relaxation of purchasing rules, a strong economy and low prices compared to other Asian capitals.

"Malaysia was off the international radar screen for years and it seems to have crept back in," said general manager of sales and marketing with the high-end Bandar Raya Developments Bernhad, Rohan Cavaliero.

"There is a feeling that there is value in Malaysia. People recognise that over a reasonable period of time, values are likely to go up," he said.

Malaysia's general residential property market was blighted by oversupply in 2006, producing a dismal year of soft sales. Steep fuel price hikes pushed inflation to a

seven-year high, weighing heavily on Malaysian purchasing power.

However, the middle and luxury markets performed much better, with the number of transactions in the 500,000 to 1.0 million ringgit (142,000 to 284,000 dollars) level rising by 15.8 percent, according to consultants Rahim and Co.

Analysts say the high-end market received a further boost in December when the government eased rules for foreign nationals who previously had to get approval to buy investment properties above 250,000 ringgit.

With gourmet kitchens, lush gardens for meditation, hi-tech security and even individual swimming pools, foreign interest is now on the rise, focused on luxury hotspots in the centre of Kuala Lumpur and its trendy southwestern suburbs.

"In the high-end market we are

seeing a lot of interest from foreigners... A lot of foreigners are coming in and buying in prime areas," said fund manager with Aberdeen Asset Management, Vicksen Balakrishnan.

Investors and home buyers see Kuala Lumpur's top properties as cheap compared to neighbouring capitals, and are also attracted by a positive economic outlook for 2007, with inflation under control and interest rates at competitive levels.

The most sought-after location is around the city's famed Petronas Twin Towers, once the world's tallest buildings, where more than 5,500 condominium units are in the pipeline.

High ceilings, city and tower views, marble floors and jacuzzis are de rigueur for luxury flats in the area, and new developments are selling from around 700 ringgit per square foot.

## DRU, Teletalk sign deal

Journalists will enjoy special call tariff facilities from state-run mobile phone company Teletalk, says a press release.

Dhaka Reporters' Unity (DRU) and Teletalk Bangladesh Limited yesterday signed an agreement to this effect.

DRU's President Alamgir Hossain, General Secretary Shahed Chowdhury and Teletalk's General Manager (Market Development) Golam Fakhruddin Chowdhury and Deputy General Manager (Marketing) Md Nuruzzaman signed the deal.

Under the pact, call charges from Teletalk to land phones and cellphones of other operators will be Tk 1.99 a minute. Teletalk to Teletalk call charge is fixed at Tk 0.99 per minute.

## Industrial trade fair kicks off today

FBCCI team off to Kolkata UNB, Dhaka

A 40-member team of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) left for Kolkata yesterday to attend the 20th Industrial India Trade Fair at Saltlake Main Stadium in the West Bengal capital where 43 Bangladeshi companies are displaying their products this year.

FBCCI President Mir Nasir Hossain is leading the delegation to the 11-day fair, starting today.

West Bengal Chief Minister Buddhadeb Bhattacharjee is expected to inaugurate the trade show as chief guest while the FBCCI chief would attend the opening function as special guest.

The Kolkata trade fair is jointly organised by the Bengal National Chamber of Commerce and Industry (BNCCI) and the government of West Bengal in association with India Trade Promotion Organisation.

During the visit, the FBCCI delegation will have one-to-one meeting tomorrow in Kolkata with business leaders from other countries.

The FBCCI team will return on Wednesday. FBCCI Director Kamran Tanvir Rahman will act as president during the absence of Mir Nasir Hossain.

## S'pore to cut corporate tax

AFP, Singapore

Singapore will lower its existing corporate tax rate of 20 percent by at least one percentage point to stay competitive, former prime minister Lee Kuan Yew said in remarks published Sunday.

"You know this is a tough and competitive world. People don't come because they like Singapore," Lee, the influential minister mentor in his son Prime Minister Lee Hsien Loong's cabinet, was quoted as saying by the Sunday Times.

"They come because the returns are better," he said.

In reference to Hong Kong, where companies are taxed at just 17.5 percent, one of the lowest in the world, Lee said Singapore had to lower its corporate tax rate or lose out to the former British colony in attracting investors.

"We're going to bring it down... at least by one percentage point," Lee told local media. "Otherwise, we'll lose them to Hong Kong," he said.

The government previously indicated the corporate tax rate would likely be lowered but gave no specifics.

## HK wants to confirm status as China's financial hub

AFP, Hong Kong

Hong Kong's bid to keep pace with China's breakneck economic growth by strengthening its own status as a global financial centre could face stiff opposition from mainland cities, analysts warn.

The southern Chinese territory's government last week unveiled a series of economic proposals designed to fit in with China's recent 11th five-year development plan, which many felt ominously omitted any mention of Hong Kong.

A key plank of the proposals was to strengthen the former British colony's powerful financial services sector, which for decades has provided a gateway to financing deals between China and the rest of the world.

## WEF's Davos meet begins Wednesday

AFP, Geneva

Top business and political leaders are gathering at the World Economic Forum (WEF) in the Swiss resort of Davos on Wednesday.

The leaders are being urged to confront mounting security and environmental challenges.

The Forum's founder and executive chairman, Klaus Schwab, said the 2,400 participants, including British Prime Minister Tony Blair, must cast their eye beyond the growing world economy and the boom in emerging nations.

"I feel we are living in a schizophrenic world," Schwab told journalists. "There is a good feeling about where we are but underneath there are so many risks, uncertainties and challenges," he said.

An annual opinion poll for the Forum carried out in 60 countries last week revealed a growing sense of gloom in the world.

German Chancellor Angela Merkel is due to open the annual meeting, which lasts until January 28, by outlining her plans for the German presidency of the G8 group of industrialised nations and the European Union over the next six months.

Her keynote speech will deal with climate change, financial

security, intellectual property protection and the need to revive the world trade talks, German government spokesman Ulrich Wilhelm said.

Blair is due to close the meeting late next Saturday, just hours after about 30 key trade ministers, including officials from the EU, United States, Brazil and India, hold a meeting with World Trade Organisation chief Pascal Lamy on the sidelines of the Forum in Davos.

Lamy has already urged the informal mini-ministerial to sketch out the way ahead in a crucial year for the deadlocked talks between 150 nations on expanding free trade in agriculture, industry and services.

Jordan's King Abdullah II and Lebanon's Prime Minister Fuad Siniora are among the 24 heads of government due in the meet.

The Forum is expecting about 800 chief executives or company directors in Davos.

Company bosses on the guest list include Indian steel magnate Lakshmi Mittal, Internet firm Google's co-founders including Larry Page, the vice president of Russian energy giant Gazprom, Alexander Medvedev, as well as old favourites like Bill Gates.

## Bangladesh must protect LDCs' interest in World Economic Forum Seminar told

RU CORRESPONDENT

Speakers at a seminar yesterday urged the representatives of Bangladesh to safeguard the interests of the LDCs in World Economic Forum to be held in Davos, Switzerland between January 24 and 28.

Bangladesh will attend the meeting as the coordinator of the least developed countries (LDCs).

The speakers also stressed the need for upholding the interests of the 32 LDCs through a combined approach.

The demands of the LDCs should be for full agricultural and labour market access, they said.

They were speaking at the seminar titled 'Making Multi-lateral Trade Works for the Poor' organised by Barendra Unnayan Forum and Kamajibi Nari in association with Bangladesh Gender and Trade Network.

The EU sponsored the seminar held in Rajshahi city.

Kamajibi Nari Director Ziaul Haq Mukta was the keynote speaker while language movement leader Abul Hossain was the chief guest. The panel discussants at the seminar were Mosharraf Hossain Akhunchi and Mustafizur Rahman Khan.

The speakers also stressed the importance of developing agriculture sector and farm-based industries and diversifying agricultural products to ensure self-sufficiency in food.



PHOTO: ICAB

M Farhad Hussain (3-R), president of the Institute of Chartered Accountants of Bangladesh (ICAB), and Muhammad Abul Quasem (3-L), director general of LGD (Local Government Division) & NPD, Local Governance Support Project (LGSP), exchange documents after signing a memorandum of understanding (MoU) recently in Dhaka. Under the MoU, the ICAB will conduct audit of Union Parishads under the LGSP. Burhanuddin Ahmed, senior financial management specialist of World Bank, among others, is seen.

## Iraq to refrain from raising oil exports

AFP, Baghdad

Iraq will not increase oil exports in support of fellow Opec member states which want to underpin world crude prices, Oil Minister Hussein al-Shahrastani said on Sunday.

"We do not want to dump crude oil on the market while it is suffering from surplus production because we are keen to maintain world prices," he told a press conference in Baghdad.

"Iraq is now able to increase exports to 1.9 million barrels per day from the previous level of 1.6 million per day," Shahrastani said, as a result of the installation of modern metering equipment at an export terminal in the southern city of Basra.

But he added: "We will not insist on exporting that quantity in solidarity with Opec."

Before the US-led invasion of Iraq in March 2003, the country was exporting around 3.5 million barrels

per day under a UN-supervised oil-for-food programme.

Iraq is a founding member of the Organisation of Petroleum Exporting Countries but its production has not been included in official Opec output quotas since the UN imposed sanctions for its August 1990 invasion of Kuwait.

On Friday, world oil prices rebounded from a plunge below 50 dollars a barrel after a US government report showed a bigger-than-expected rise in American inventories of crude oil.

Saudi Oil Minister Ali al-Nuaimi had said Tuesday there was no need for an emergency Opec meeting to discuss a possible output cut since the situation in the crude oil market was "healthy".

Iraq's estimated reserves of crude oil amount to 115 billion barrels, the third largest worldwide behind Saudi Arabia and Iran.



## New chairman of Janata Bank

AFM Solaiman Chowdhury, former chairman of the National Board of Revenue, has joined as chairman of the Board of Directors of Janata Bank.

He replaces Khondoker Shahidul Islam, says a press release.

Prior to his new assignment, Chowdhury held many important positions in the government.

## India, France trade likely to grow by 20pc

ANN/ THE STATESMAN

France on Saturday said that the trade with India is likely to grow at the rate of 20 per cent this year at \$4.2 billion (over 18,725 crore Rupee).

"When President Jacques Chirac was here last year, he had said India and France should double the trade volume to \$7 billion in next five years and I am sure that we are on the right track. With India growing at a rate of nine per cent,

the trade between the two countries can grow at 20 per cent this year," French minister for industry Mr Francois Loos said today.

There were many areas, in which both the countries can work together making the growth target a reality, according to the minister.

"Leading French companies like Alcatel, Alstom, Aрева, Renault are here in India already and there were many sectors like pharmaceuticals, automobiles, IT, biotech, water treatment, infrastructure and

energy which offer huge potential for us to work together," Mr Loos said.

Expressing his concern over restrictions on foreign banks in India he said, "India's banking and finance sector was not open to France but our banks are willing to come to India." In an answer to a question about the issue of duties on the import of wine and spirits from France he said, that wine is a trouble but that is a very small part of the total trade.



PHOTO: AKTEL

Ahmad Ismail, managing director of AKTEL, and Abul Kalam Azad, chairman and managing director of Azad Products (Pvt) Ltd that makes calendar, diary, notebook and greeting card, pose for photographs at a corporate agreement signing ceremony recently. Under the deal, the mobile phone operator will provide complete communication facilities for Azad Products.